

Budget Detail and Payment Provisions**1. Invoicing and Payment**

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the budget(s) attached hereto.
- B. Invoices shall include the Agreement Number and shall be submitted not more frequently than monthly in arrears to:

[Name of Contract Analyst]
CA Department of Health Services
Cancer Detection Section
MS 7203
P.O. Box 997413
Sacramento, CA 95899-7413

- C. Invoices shall:

- 1) Be prepared on Contractor letterhead. Must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this contract.
- 2) Bear the Contractor's name as shown on the agreement.
- 3) Identify the billing and/or performance period covered by the invoice.
- 4) Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by CDHS.

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. Amounts Payable

A. The amounts payable under this agreement shall not exceed:

- 1) \$1,104,000 for the budget period of 03/01/06 through 06/30/07.
- 2) \$2,977,000 for the budget period of 07/01/07 through 06/30/08.
- 3) \$3,098,000 for the budget period of 07/01/08 through 06/30/09.
- 4) \$3,225,000 for the budget period of 07/01/09 through 06/30/10.

B. Reimbursement shall be made for allowable expenses up to the amount annually encumbered commensurate with the state fiscal year in which services are performed and/or goods are received.

5. Timely Submission of Final Invoice

- A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding.
- B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit F)**" acknowledging submission of the final invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this agreement.

6. Allowable Line Item Shifts

- A. Cumulative line item shifts of up to \$25,000 or 10% of the annual agreement total may be made, whichever is greater, up to a cumulative annual maximum of \$50,000, provided the annual agreement total does not increase or decrease.
- B. Line item shifts meeting this criteria shall not require a formal agreement amendment.
- C. Contractor shall adhere to State requirements regarding the process to follow in requesting approval to make line item shifts.
- D. Line item shifts may be proposed/requested by either the State or the Contractor.

7. Expense Allowability / Fiscal Documentation

- A. Invoices, received from a Contractor and accepted and/or submitted for payment by the State, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to CDHS upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability or appropriateness of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.
- D. If travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. For more information on allowable travel and per diem expenses and required documentation, see Exhibit G entitled, "Travel Reimbursement Information".
- E. Costs and/or expenses deemed unallowable are subject to recovery by CDHS. See provision 8 in this exhibit entitled, "Recovery of Overpayments" for more information.

8. Recovery of Overpayments

- A. Contractor agrees that claims based upon a contractual agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by the State and/or Federal Government by one of the following options:
 - 1) Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for repayment;
 - 2) A repayment schedule which is agreeable to both the State and the Contractor.
- B. The State reserves the right to select which option will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.
- C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after Contractor's receipt of the State's demand for repayment.
- D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus

accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

9. Invoice Cover Letter Template

The invoice cover letter shall be submitted under the letterhead of the Contractor in the format of Exhibit I. Address the invoice to the assigned Cancer Detection Section (CDS) Contract Analyst. Include the Contract Number, Term of the Contract, Period of Invoice, and Invoice Number. The Invoice Cover Letter must have an original signature, in blue ink, by an authorized representative from the agency.

10. 8-Line Item Invoice Template

Contractor must submit an 8-Line Item Invoice, in the format of Exhibit J, along with the Invoice Cover Letter. Address the invoice to the assigned CDS Contract Analyst. Include the Contract Number, Term of the Contract, Period of Invoice, Invoice Number, Date, Agency Contact, Agency Name, and Address. The 8-Line Item Invoice must have an original signature, in blue ink, by an authorized representative from the agency. The 8-Line Item Invoice must correspond to the Additional Budget Detail Invoice. The sum of the expenditure breakdown on the Additional Budget Detail Invoice for each of the 8-Line Items will be used to calculate the total expenditures per line-item on this invoice. Note: display a breakdown of expenses on the 8-Line Item Invoice only as they pertain to any breakdowns shown on the contract's approved 8-Line Item Budget.

11. Additional Budget Detail Invoice Template

Contractor must submit an original Additional Budget Detail Invoice, in the format of Exhibit K, along with the Cover Letter and the 8-Line Item Invoice. The Additional Budget Detail Invoice must have an original signature, in blue ink, by an authorized representative from the agency. The approved budget amount used on the Additional Budget Detail Invoice must match exactly with the contract's approved Additional Budget Detail exhibit. The Additional Budget Detail Invoice requested amounts must correspond to the 8-Line Item Invoice requested amounts. The expenditure breakdown shown on the Additional Budget Detail Invoice will be used to calculate the totals to be shown on the 8-Line Item Invoice.

A. Top Section

- 1) Address the invoice to the assigned CDS Contract Analyst.
- 2) Include the Contract Number, Term of the Contract, Period of Invoice, Invoice Number.
- 3) Indicate the date the invoice was prepared.
- 4) Provide the Agency Contact or appropriate authorized representative name, Agency Name, and complete Address.

B. Column 1 - Budget Categories

Exhibit B

- 1) Category A - Personnel: This column must include the employee position title, last name, percent of time, and monthly salary range. If a position is unfilled, enter the title and indicate that the position is vacant.
- 2) Category B - Fringe Benefits: Provide the actual fringe benefits percentage rate billed for the invoice period.
- 3) Category C - Operating Expenses: Include a breakdown on all line items as shown on the contract's approved Additional Budget Detail exhibit, if any.
- 4) Category D - Equipment: Include a breakdown on all line items as shown on the contract's approved Additional Budget Detail exhibit, if any.
- 5) Category E - Travel and Per Diem: Include a breakdown of all line items as shown on the contract's approved Additional Budget Detail exhibit, if any.
- 6) Category F - Subcontracts: Include a breakdown of all line items as shown on the contract's approved Additional Budget Detail exhibit, if any.
- 7) Category G - Other Costs: Include a breakdown of all line items as shown on the contract's approved Additional Budget Detail exhibit, if any.
- 8) Category H - Indirect Costs: Provide the actual indirect costs percentage rate billed for the invoice period.

Total Amount: Include the total amount being billed.

- C. Column 2 - Approved Budget: Insert the approved contract budget amount for each line item. Amounts entered in this column should be identical to the approved contract Additional Budget Detail exhibit for the appropriate fiscal year and cannot be changed without prior CDS approval.
- D. Column 3 - Actual Expenses This Period: Record the actual expenses for each line item during the invoice period. Expenses for each line must be shown. For budgeted lines without expenditures during the invoice period, signify with "\$0." The "Total Amount" claimed for this period should be carried down to the "Total payment Requested" row of the invoice, unless otherwise instructed.
- E. Column 4 - Cumulative Expenses To Date: Record the cumulative total of all expenses for each line item paid through and including the current invoice period.
- F. Column 5 - Unexpended Balance: Record the difference between Column 2 (Approved Budget) and Column 4 (Cumulative Expenses To Date). Column 2 minus Column 4 equals Column 5.